

June 21, 2000

Mr. Ray Hanley, Director
Division of Medical Services
Arkansas Department of Human Services
Donaghey Plaza P.O. Box 1437
Little Rock, Arkansas 72203-1437

Dear Mr. Hanley:

This letter is to inform you that the Health Care Financing Administration (HCFA) is approving, with certain stipulations, the Arkansas request for renewal of the ConnectCare primary care case management (PCCM) waiver program under the authority of Section 1915(b)(1) of the Social Security Act (the Act). This approval provides for the waiver of the following sections: Section 1902(a)(10)(B) Comparability of Services, and Section 1902(a)(23) Freedom of Choice. The approval of the waiver permits the State to continue mandatory enrollment of certain Medicaid beneficiaries into managed care.

We have based this decision on the submitted evidence showing that the State's waiver program will continue to be consistent with the purpose of the Medicaid program, improve beneficiary access, enhance quality of care, and be a cost-effective means of providing Medicaid services to the Medicaid beneficiaries in the State.

Arkansas is no longer required to arrange for an independent evaluation with respect to the program's cost-effectiveness, access to care, and quality of services, unless significant problems are identified in the future. However, the State will continue to be responsible for documenting the cost-effectiveness, access and quality factors in subsequent renewal requests, but will be relieved from arranging for an independent evaluation.

However, please note that this approval is contingent on the following terms and conditions:

We are concerned that beneficiaries 24 hours/7 days a week access to their primary care physicians (PCPs) has not been consistently implemented statewide under this waiver program. Please provide the HCFA Regional Office and Central Office with a plan for how the State will require all PCPs participating in the PCCM program to comply with this requirement. Please provide this information by July 28, 2000.

Approval of this request grants Arkansas waiver authority for the period of two years, from June 21, 2000 to June 20, 2002. If you have any questions, please contact Bill Brooks at HCFA's Dallas Regional Office at (214) 767-4461 or Saul Goldberg at HCFA's Central Office at (410) 786-6964. We wish you continued success in the operation of this program for Medicaid beneficiaries in Arkansas.

Sincerely,

Mike Fiore
Director

cc: Calvin Cline, ARA, Dallas, TX

